



Aquila

Patents & Marks PLLC

★ info@aquillapatents.com ★ 221 Coe Hill Road, Center Harbor, NH 03226 ★ +1 (603) 253-9474 ★

April 10, 2013

BY U.S. EXPRESS MAIL

Timothy R Baer, EVP, General Counsel and Corporate Secretary
Sears Holdings Corporation
1000 Nicollet Mall
Minneapolis, NJ 55403

Re: U.S. Patent No. 5,415,151 License Offer
For: "PHOSPHOR-CONTAINING PROJECTILE AND LAUNCHER
THEREFOR"
Our Docket No.: JRA-701L

Dear Mr. Baer:

My firm represents JCF Research Associates, Inc. ("JRA") as its intellectual property counsel. JRA is the assignee of record of U.S. Patent No. 5,415,151 ("the '151 patent", copy enclosed), which remains in force until September 20, 2013. I am contacting your company to offer a license under the '151 patent.

Please forward this letter to your attorneys immediately.

Your company needs a license to the '151 patent in conjunction with certain toy guns it sells, such as the "Xploderz Night Fighterz" series (e.g., models GEN-700 and GEN-1000), that clearly embody all of the elements of several of the claims in the '151 patent. JRA is willing to offer a non-exclusive license in exchange for a 5% royalty (standard in the industry) on all sales, beginning from your company's commencement of sales through the expiration of the patent. JRA believes that such an arrangement would be mutually beneficial. Please review the attached patent and contact me at your earliest convenience to discuss the proposed licensing arrangement.

We have already contacted the manufacturer, Maya Group, Inc., to discuss a licensing arrangement with them. However, because your company sells products encompassed by the patent claims, we believe you also should be aware of this patent and the need for a license.

Please contact me at your earliest convenience to discuss this matter.

Sincerely,

Thomas T. Aquilla, Esq.

TTA/ns

Enclosure: copy of U.S. Pat. No. 5,415,151